



Government Performance Project

GRADING CRITERIA: MONEY

1. **Long-Term Outlook:** The state uses a long-term perspective to make budget decisions.
 - a. The state's revenue and expenditure forecasting processes are thorough, accurate, and transparent and include a multiyear perspective.
 - b. The state uses information about the future fiscal impact of its financial decisions in developing the annual budget.
 - c. The state uses information that assesses the future fiscal impact of external (federal and regional) financial decisions in developing the annual budget.
 - d. The state manages long-term investments, including pensions, to promote solvency and avoid financial instability.
 - e. The state maintains a modest, reasonable level of borrowing and does not rely on debt to finance current expenditures
2. **Budget Process:** The state's budget process is transparent and easy to follow.
 - a. The state clearly defines and follows a predetermined cycle, format, and deadlines for its budget.
 - b. The state provides clear and timely budget guidelines and instructions.
 - c. The state effectively communicates its fiscal priorities throughout all levels of the state.
 - d. The state provides citizens opportunities for public input about the budget.
3. **Structural Balance:** The state's financial management activities support a structural balance between ongoing revenues and expenditures.
 - a. The state's revenue structure accommodates fluctuating economic climates.
 - b. The state does not depend on "one-time" or "windfall" revenues for ongoing expenditures.
 - c. The state manages its cash to maintain to support ongoing expenditures and to minimize short-term borrowing.
 - d. The state manages risk to limit government liability and to maintain overall fiscal health.
 - e. The state uses counter-cyclical or contingency planning devices to address economic downturns.
4. **Contracting/Purchasing:** The state effectively manages procurement activities.
 - a. State contracting and purchasing protocols allow agencies to operate programs effectively.
5. **Financial Controls/Reporting:** The state systematically assesses the effectiveness of its financial operations and management practices.
 - a. The state prepares an annual financial audit in accordance with Generally Accepted Accounting Principles and routinely receives a clean audit opinion.
 - b. The state regularly assesses and effectively links financial costs with operational performance.
 - c. The state's agencies engage in sound internal control practices.